

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 AID-05 SIL-01 LAB-04 OMB-01

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NSC-05 SS-15 PA-02 PRS-01 USIA-15 H-02 FEAE-00 NRC-07

OES-06 FTC-01 INT-05 ACDA-10 CU-04 SNM-02 DEAE-00

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R 091200Z AUG 76

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 8553

UNCLAS SECTION 1 OF 2 TEHRAN 8064

E.O. 11652: N/A

TAGS: USIRJC IR

SUBJ: COMMUNIQUE OF IRAN-U.S. JOINT COMMISSION

SUMMARY:

A. THE IRAN-US JOINT COMMISSION MET IN TEHRAN FOR ITS THIRD SESSION AUGUST 6 AND 7, 1976. HIS EXCELLENCY HUSHANG ANSARY, MINISTER OF ECONOMIC AFFAIRS AND FINANCE, AND THE SECRETARY OF STATE, THE HONORABLE HENRY A KISSINGER, CO-CHAIRMAN OF THE COMMISSION, HEADED THE IRANIAN AND THE US DELS.

B. DURING HIS VISIT TO IRAN, THE SECRETARY OF STATE WAS RECEIVED IN AUDIENCE BY HIS IMPERIAL MAJESTY, THE SHAHANSHAH, AT NOWSHAHR AND CONVEYED TO HIM THE PERSONAL GREETINGS OF PRESIDENT FORD. IN THEIR TALKS, HIS IMPERIAL MAJESTY AND SECRETARY KISSINGER DISCUSSED THE CURRENT WORLD SITUATION AND REVIEWED BILATERAL MATTERS IN THE SPIRIT OF MUTUAL RESPECT AND UNDERSTANDING CHARACTERISTIC  
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OF RELATIONS BETWEEN IRAN AND THE UNITED STATES.

1. TRADE AND INVESTMENT

A. THE COMMISSION NOTED WITH SATISFACTION THAT THE TRADE BETWEEN THE TWO COUNTRIES HAD EXPANDED WELL BEYOND EARLIER EXPECTATIONS. IN MARCH 1975 A TARGET OF \$15 BILLION IN TRADE (EXCLUSIVE OF OIL AND MILITARY ITEMS) OVER THE FOLLOWING FIVE YEARS WAS ESTABLISHED. THE COMMISSION AGREED THAT A TARGET OF \$26 BILLION FOR THE PERIOD 1975-80 IS NOW ATTAINABLE, AND AGREED THAT THE TWO GOVERNMENTS WOULD COOPERATE TO REACH THAT GOAL. IF IRAN'S OIL EXPORTS TO THE US ARE TAKEN INTO ACCOUNT, TOTAL NON-MILITARY TRADE IS EXPECTED TO EXCEED \$40 BILLION OVER THE PERIOD 1975-80.

B. IN THEIR DESIRE TO ACHIEVE CONTINUED EXPANSION OF TRADE AND ECONOMIC COOPERATION BETWEEN THE TWO COUNTRIES, THE TWO PARTIES RECOGNIZED THE NEED FOR CONSIDERABLE EXPANSION OF IRANIAN INDUSTRIAL EXPORTS TO THE US. IN THE CONNECTION THE US DEL EXPRESSED ITS READINESS TO COOPERATE IN THE IRANIAN EFFORTS TO INCREASE SUCH EXPORTS. THE IRANIAN SIDE EMPHASIZED THAT EXCLUSION OF IRANIAN EXPORTS FROM THE US GENERALIZED SYSTEM OF PROFERENCES RUNS COUNTER TO THE AIM AND DETERMINATION OF THE TWO SIDES IN FACILITATION AND EXPANDING TRADE BETWEEN THE TWO COUNTRIES. THE US SIDE STATED THAT WHILE ANY CHANGE IN GSP ELIGIBILITY WOULD REQUIRE AN ACT OF CONGRESS, THE US EXECUTIVE BRANCH SUPPORTS LEGISLATION RECENTLY INTRODUCED TO PROVIDE GSP BENEFITS COVERING IRAN AND WILL CONTINUE TO USE ITS BEST EFFORTS TO ACHIEVE PASSAGE IN THE CURRENT SESSION OF CONGRESS.

C. THE COMMISSION EXPRESSED ITS SATISFACTION AT THE COOPERATIVE SPIRIT WHICH CHARACTERIZED THE MARCH 1976 INAUGURAL MEETING OF THE IRAN-US BUSINESS COUNCIL, FOLLOWED BY THE IRAN-US FINANCIAL CONFERENCE. THE COMMISSION WELCOMED THE DECISIONS OF THESE BODIES TO CREATE A JOINT STUDY GROUP ON FINANCIAL MATTERS AND JOINT TASK FORCES ON INVESTMENT AND TRADE. THE TWO SIDES BELIEVE THAT FURTHER CONTACTS BETWEEN THE US

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AND IRANIAN FINANCIAL AND COMMERCIAL COMMUNITIES WOULD BE USEFUL AND URGED THE IRAN-US BUSINESS COUNCIL TO FACILITATE ACTION PROGRAMS IN THESE FIELDS.

D. THE TWO SIDES EXPRESSED SATISFACTION OVER THE DEVELOPMENTS IN THE TWO COUNTRIES IN THE FIELD OF INVESTMENT, AND WELCOMED INCREASED FLOWS OF CAPITAL ON BOTH SIDES.

## 2. ENERGY

AM BOTH DELEGATIONS AGREED THAT ONE OF THE MAJOR PROXYEMS FACING MAKIND IN THE DECADES AHEAD WILL BE THE AVAILABILITY OF ADEQUATE ENERGY TO MEET THE DEMANDS OF GROWING POPULATIONS AND INDUSTRIAL EXPANSION THROUGHOUT THE WORLD. IRAN, AS A MAJOR SUPPLIER OF PETROLEUM WITH VAST NATURAL GAS RESERVES, AND THE UNITED STATES AS A CENTER OF ADVANCED TECHNOLOGY, HAVE THE SHARED RESPONSIBILITY TO WORK TOGETHER TO CONTRIBUTE TO SOLUTIONS OF THIS PROBLEM. IN ORDER TO FACILITATE BROAD COOPERATION THROUGHOUT THE SPECTRUM OF ENERGY RESEARCH AND DEVELOPMENT, THE COMMISSION ESTABLISHED AN ENERGY RESEARCH AND DEVELOPMENT COMMITTEE AND INSTRUCTED IT TO INITIATE RAPIDLY AN INNOVATIVE AND PRACTICAL PROGRAM.

B. THE COMMISSION NOTED THAT SUBSTANTIAL PROGRESS HAS BEEN MADE IN DEFINING THE PRINCIPLES OF A NEW COOPERATIVE AGREEMENT IN NUCLEAR POWER, WHICH TAKES INTO ACCOUNT IRAN'S INTEREST IN DEVELOPING THE PEACEFUL USES OF NUCLEAR ENERGY AND THE CONCERN OF BOTH COUNTRIES TO PREVENT THE PROLIFERATION OF NUCLEAR WEAPONS. GOOD PROGRESS HAS BEEN MADE IN RECONCILING THESE TWO OBJECTIVES AND AS A RESULT OF THIS DISCUSSION, A REALISTIC BASIS FOR PROCEEDING WITH FINAL NEGOTIATIONS NOW EXISTS. THE COMMISSION AGREED THAT THESE NEGOTIATIONS SHOULD BE PURSUED PROMPTLY IN ORDER TO REACH AN EARLY AGREEMENT.

C. THE COMMISSION PARTICULARLY NOTED COOPERATION BETWEEN THE TWO COUNTRIES IN THE EVALUATION OF SITES FOR THE ESTABLISHMENT OF NUCLEAR POWER PLANTS IN IRAN, EXPLORATION IN IRAN FOR URANIUM RESOURCES, TRAINING OF IRANIAN UNCLASSIFIED

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ENGINEERS AND SCIENTISTS, AND FABRICATION OF SLIGHTLY ENRICHED FUEL URANIUM FOR NUCLEAR POWER REACTORS.

D. THE COMMISSION NOTED THAT SOLAR ENERGY MUST HAVE AN INCREASINGLY PROMINENT ROLE IN MEETINGS MAN'S ENERGY NEEDS, AND AGREED TO DEVELOP A PROGRAM OF COOPERATION IN THIS FIELD. AS THE FIRST STEP, A TEAM OF EXPERTS FROM IRAN WILL VISIT THE UNITED STATES IN THE NEAR FUTURE TO CONSULT WITH OFFICALS OF THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION. IT IS ANTICIPATED THAT THE COOPERATIVE RESEARCH PROGRAM WILL BE COORDINATED WITH MULTILATERAL ARRANGEMENTS IN THIS FIELD.

E. FURTHER DISCUSSIONS WILL BE HELD LOOKING TO COLLABORATION IN RESEARCH AND DEVELOPMENT IN ALTERNATIVE ENERGY

FIELDS.

F. THE IRANIAN PARTY REVIEWED RECENT NATURAL GAS DEVELOPMENTS IN IRAN, NOTING THAT PROVEN RESERVES MAY NOW EXCEED THOSE OF ANY OTHER COUNTRY AND THAT THE IMPERIAL GOVERNMENT OF IRAN HAS WELL ADVANCED PLANS FOR THE UTILIZATION OF THESE RESOURCES. TWO MULTI-BILLION DOLLAR JOINT-VENTURES INVOLVING THE NATIONAL IRANIAN GAS COMPANY AND US PRIVATE COMPANIES ARE UNDER CONSIDERATION. THE AMERICAN DELEGATION REPORTED PRESIDENT FORD'S RECENT DECISIONS ESTABLISHING THE UNITED STATES POLICIES ON NATURAL GAS IMPORTS. THESE POLICIES ENABLE THE US EXECUTIVE BRANCH TO ENCOURAGE AND SUPPORT PROJECTS FOR THE PRODUCTION AND DELIVERY OF NATURAL GAS TO THE UNITED STATES ON ECONOMICALLY ATTRACTIVE TERMS.

3. TECHNICAL COOPERATION

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 AID-05 SIL-01 LAB-04 OMB-01

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DOT-00 COME-00 NAS-01 NSF-02 OPIC-06 FAA-00 ERDA-07

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OES-06 FTC-01 INT-05 ACDA-10 CU-04 SNM-02 DEAE-00

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FM AMEMBASSY TEHRAN

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A. THE TWO DELEGATIONS REVIEWED EXISTING AND PLANNED PROGRAMS OF TECHNICAL COOPERATION. IN PARTICULAR, THE COMMISSION NOTED THE FOLLOWING ACTIVITIES:

-THE AGREEMENT BETWEEN THE US DEPARTMENT OF TRANSPORTATION'S FEDERAL HIGHWAY ADMINISTRATION AND THE IRANIAN MINISTRY OF ROADS AND TRANSPORT.

-THE INITIATION OF A NEW PROGRAM BY THE MANPOWER AND TECHNICAL COOPERATION COMMITTEE, CONCERNING THE MEASUREMENT AND IMPROVEMENT OF IRANIAN LABOR PRODUCTIVITY.

-THE CONTINUATION OF VOCATIONAL TRAINING PROGRAM DEVELOPMENT AND EMPLOYMENT SERVICE UNITS. IN THIS CONNECTION, THE COMMISSION NOTED IRAN PLANS TO ACQUIRE 40 MORE MOBILE TRAINING AND EMPLOYMENT SERVICE UNITS FOR USE IN NON-URBAN AREAS. THESE UNITS AND THE 23 CENTERS WHICH HAVE BEEN ALREADY OBTAINED AND WILL START OPERATION DURING UNCLASSIFIED

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THE CURRENT YEAR WILL INCREASE THE ANNUAL CAPACITY OF TRAINING SKILLED WORKERS BY 1700, AND WILL FACILITATE THE MOBILITY OF THE WORKERS ACCORDING TO THE REQUIREMENTS OF THE COUNTRY.

-THE COMMISSION AGREED TO EXPAND COOPERATION IN THE FIELD OF AGRICULTURE WITH AN EMPHASIS ON ENCOURAGING THE RESPECTIVE SECTORS OF THE TWO COUNTRIES TO FORM JOINT VENTURE FOR INTENSIVE PRODUCTION AND DISTRIBUTION OF AGRICULTURAL PRODUCTS AS WELL AS MACHINERY, PESTICIDES, FERTILIZERS, ETC.

-TENTATIVE PLANS HAVE BEEN DEVELOPED FOR COOPERATION THE TWO COUNTRIES IN ANIMAL HEALTH, PLANT PEST CONTROL, FOREST AND RANGE MANAGEMENT, AGRICULTUREAL EXTENSION AND EDUCATION.

-A TEAM OF AMERICAN EXPERTS WILL VISIT IRAN IN OCTOBER 1976 IN ORDER TO COOPERATE WITH THE IRANIAN PARTY IN PREPARING A PROGRAM FOR THE ESTABLISHMENT OF AN INTEGRATED AGRICULTURAL REGION.

#### 4. HOUSING

A. THE COMMISSION OBSERVED THAT CONSIDERABLE EXCHANGE OF INFORMATION HAS TAKEN PLACE IN THE FIELD OF LARGE-SCALE HOUSING, WITH THE US PRIVATE SECTOR GAINING A BETTER UNDERSTANDING OF IRANIAN HOUSING AND BUILDING PLANS AND REGULATIONS AND IRANIAN OFFICIALS GAINING GREATER KNOWLEDGE OF US HOUSING METHODS AND TECHNOLOGY. THE COMMISSION APPROVED PLANS TO BROADEN THE SCOPE OF

COOPERATION IN THE COMING YEAR. THESE WILL INCLUDE THE ENCOURAGEMENT OF PRIVATE SECTOR JOINT VENTURES AND PROVISION OF KNOW-HOW AND SERVICES RELATED TO THE MANUFACTURE OF HOUSING AND HOUSING COMPONENTS. IT ALSO INCLUDES THE TRANSFER OF TECHNOLOGY IN HOUSING AND URBAN MANAGEMENT, HOUSING FINANCE, AND TECHNICAL INFORMATION. PARTICIPATION IN COMMERCIAL EXHIBITS AND TRAINING ACTIVITIES ALSO WILL BE EXPANDED.

5. SCIENCE, TECHNOLOGY AND EDUCATION  
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A. THE COMMISSVPN NOTED THE EXPANSION OF SCIENTIFIC AND TECHNOLOGICAL COOPERATION, PARTICULARLY WITH REGARD TO PROGRAMS UNDERWAY OR PLANNED IN THE FILES OF OCEANOGRAPHY, SEISMIC STUDIES AND GEOLOGICAL AND MINERALS SURVEYS. BOTH DELEGATIONS AGREED THAT ENVIRONMENTAL PROTECTION, HEALTH CARE EDUCATION, BIOMEDICAL SCIENCES AND ARID LAND SCIENCES WERE PROMISING AREAS FOR COOPERATION.

B. THE US DELEGATION NOTED WITH APPRECIATION THE GENEROSITY OF HER IMPERIAL MAJESTY'S COMMITTEE FOR THE AMERICAN BICENTENNIAL, IN ESTABLISHING AN AMERICAN STUDIES ENDOWMENT FUND, CAPITALIZED AT ONE MILLION DOLLARS TO SUPPORT AMERICAN STUDIES PROGRAMS IN IRAN. THE US DELEGATION ALSO EXPRESSED APPRECIATION FOR THE IMPERIAL GOVERNMENT OF IRAN'S CREATION OF A ONE HUNDRED THOUSAND DOLLAR BICENTENNIAL SCHOLARSHIP FUND TO ASSIST AMERICAN STUDENTS TO STUDY IN IRAN.

C. THE COMMISSION EXPRESSED SATISFACTION AT THE COMPLETION OF THE STUDY, UNDERTAKEN BY THE US GOVERNMENT IN ACCORDANCE WITH A DECISION OF THE LAST MEETING OF THE COMMISSION, OF WAYS TO FACILITATE AND EXPEDITE EDUCATION LINKAGES BETWEEN US AND IRANIAN INSTITUTIONS OF HIGHER LEARNING.

D. THE COMMISSION AGREED THAT THE TWO COUNTRIES WILL COOPERATE IN FOOD AND DRUG ADMINISTRATION, AND, IN PARTICULAR, DEVELOPMENT OF SPECIFIC TECHNIQUES IN LABORATORY PROCEDURES FOR DRUG AND FOOD CONTROL AND EXCHANGE OF KNOW-HOW AND EXPERTS. COOPERATION IN THE FIELD OF HEALTH WILL ALSO COVER CONTROL OF DRUG ADDICTION AND REHABILITATION OF ADDICTS.

E. IT WAS AGREED TO HOLD THE NEXT MEETING IN WASHINGTON AT A MUTUALLY CONVENIENT TIME, IN 1977.

6. NOTE: ABOVE TEXT HANDED TO PRESS AT PRESS CONFERENCE

AUGUST 7, 1976. PASSED DEPT FOR RECORD.

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